

NOTE

July 29, 2002
Date

TOWSON
City

LE AVENUE
Property Address

BALTIMORE
City

LENDER'S PROMISE TO PAY

For a loan that I have received, I promise to pay U.S. \$ 10, plus interest, to the order of the Lender. The Lender is MORTGAGE CORPORATION, CORPORATION

holder or anyone who takes this Note by transfer and who is the Holder."

I will be charged on unpaid principal until the full amount of principal and interest at a yearly rate of 14.500 %.

I will make my payments on the 1st day of each month. I will make these payments every month until I have paid the full amount of principal and interest on this Note.

VER'S PAYMENTS BEFORE THEY ARE DUE

the right to make payments of principal at any time before the maturity date of the Note. When I make a prepayment, I will tell the Note Holder in writing. A prepayment of principal is known as a "full prepayment." A prepayment of only

I may make a full prepayment or a partial prepayment without pay to reduce the amount of principal that I owe under this Note. I may make a full prepayment at any time. If I choose to make the prepayment on the same day that one of my next due dates or changes in the amounts of my monthly payments, the amount of my partial prepayment be equal to the amount of my monthly payments.

TEK'S WAIVERS

my rights to require the Note Holder to do certain things. (A) to give notice of nonpayment (known as a "presentment"); (B) to give notice that amounts due have been officially certified as nonpayment (known as a "protest"). The Note Holder, who agrees to make payments to the Note Holder if I fail to make them, also waives these rights. These persons

OF NOTICES

notice that must be given to me under this Note will be given
 to me at the Property Address above. A notice will be delivered
 to me if I give a notice of my different address.

ice that must be given to the Note Holder under this Note w
address stated in Section 2 above. A notation of this

**ADJUSTABLE RATE
(LIBOR 6 Month Index)**

NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGING MONTHLY PAYMENT. THIS NOTE LIMITS THE AMOUNT I MUST PAY AND THE MAXIMUM RATE I MUST PAY.

DATE: MAY 29, 2002

**TOWSON
[City]**

**731 MELVILLE AVENUE
BALTIMORE, MARYLAND
[Property Address]**

Borrower's Promise to Pay

I am borrowing money for a loan that I have received, I promise to pay U.S. \$ [Amount] per month, to the order of the Lender. The Lender is MERITAGE MORTGAGE CORPORATION, an Oregon corporation, and that the Lender may transfer this Note. The Lender or any person who receives payments under this Note is called the "Note Holder."

INTEREST

Interest will be charged on unpaid principal until the full amount of the loan is paid.

Limits on Interest Rate Changes

Interest rate I am required to pay at the first Change Date will be %. Thereafter, my interest rate will never be increased or decreased by more than ONE HALF percentage points (1.5 percentage points) in any consecutive 6 months. My interest rate will never be less than the effective interest rate in effect on the effective date of the last Change Date. The new interest rate will become effective on each Change Date, beginning on the first monthly payment date after the Change Date in effect on the preceding Change Date.

Notice of Changes

Note Holder will deliver or mail to me a notice of any change in my interest rate before the effective date of any change. The notice will include the name, address, and telephone number of a person who will answer any questions I may have.

BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before the due date of any payment. When I make a prepayment, I will tell the Note Holder. I may make a full prepayment or partial prepayments without paying any prepayment penalty. My prepayments to reduce the amount of principal that I owe will not change the due dates of my monthly payments unless I make a full prepayment. My partial prepayment may reduce the amount of my monthly payment. However, any reduction due to my partial prepayment will be applied to the principal balance of the loan.

FEES AND CHARGES

The following fees, which apply to this loan and which sets maximum loan fees, are:

VERS

any other person who has obligations under this Note waive
nent" means the right to require the Note Holder to demand
e right to require the Note Holder to give notice to other per

FORM SECURED NOTE

Note is a uniform instrument with limited variations in some
Holder under this Note, a Mortgage, Deed of Trust or Secur
is Note, protects the Note Holder from possible losses which
his Note. That Security Instrument describes how and under
e payment in full of all amounts I owe under this Note. Som

ransfer of the Property or a Beneficial Interest in Borrow
all or any part of the Property or any interest in it is sold or
r transferred and Borrower is not a natural person) without I
t, require immediate payment in full of all sums secured by t
e exercised by Lender if exercise is prohibited by federal law
hall not exercise this option if: (a) Borrower causes to be sub
ate the intended transferee as if a new loan were being made
nines that Lender's security will not be impaired by the loan
ant or agreement in this Security Instrument is acceptable to
e extent permitted by applicable law, Lender may charge
loan assumption. Lender may also require the transferee to s
r and that obligates the transferee to keep all the promises ar

BALLOON NOTE AT

BALLOON PAYMENT

IS PAYABLE IN FULL AT THE END OF 15 YEAR
OF THE LOAN AND THE UNPAID INTEREST THEN D
NCE THE LOAN AT ANY TIME. YOU WILL THEREF
ASSETS YOU MAY OWN, OR YOU WILL HAVE TO I
PREVAILING MARKET RATES, WHICH MAY BE C
ATE ON THIS LOAN. IF YOU REFINANCE THIS LC
ALL CLOSING COSTS NORMALLY ASSOCIATED V
FROM THE SAME LENDER.

T. D.

1/6/07

REPAYMENT ADDENDUM TO

(MARYLAND

ent Penalty - First (3) Year(s) of Note

s Addendum is attached to and made a part of the Note to wh
hether one or more parties). To the extent of any conflict be
um, the provisions of this Addendum shall supersede and con
ovisions are hereby added to the Note:

ou repay your loan before the end of the **THIRD** Note Year
with the date of the Note and each twelve-month period the
on the anniversary of the date of execution of the Note), Mal
cipal amount of the Note (the "Prepayment Limitation") wit
n excess of the Prepayment Limitation shall be conditioned i
would accrue during a six-month period on the amount of pr
Limitation calculated at the rate of interest then applicable to
or any reason, then the prepayment fee set forth herein shall
ance which is in excess of the Prepayment Limitation.

LIBER 2790 PAGE 4

EXHIBIT A

Number: **RTC-747**

BEGINNING for the same on the south side of Melville Avenue at a point distant 240 easterly from the corner formed by the intersection of the south side of Melville Avenue and the east side of Frisby Street; and said place of beginning being in line with the center of the partition wall there erected thence easterly binding on the south side of Melville Avenue 16 feet to a point in line with the center of another partition wall there erected, thence southerly to and through the center of said last mentioned partition wall to the end thereof and continuing the same course in all 88 feet to the north side of a 10 foot alley there existing, thence westerly binding on said side of said alley with the use thereof in common with others 16 feet thence northerly to and through the center of the partition wall first mentioned to the end thereof and continuing to the end thereof and continuing the same course in all 88 feet to the place of beginning. The improvements thereon being known as No. 731 Melville Ave.

4056-A